

MARY ANN SMITH
Deputy Commissioner
MIRANDA LEKANDER
Assistant Chief Counsel
KENNY V. NGUYEN (State Bar No. 233385)
Senior Counsel
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814
Telephone: (916) 322-8782
Facsimile: (916) 445-6985
Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	NMLS ID. 1028939
)	
THE COMMISSIONER OF BUSINESS)	SETTLEMENT AGREEMENT
OVERSIGHT,)	
)	
Complainant,)	
)	
v.)	
)	
JONATHAN JOSEPH SOLEK,)	
)	
<u>Respondent.</u>)	

This Settlement Agreement (Agreement) is entered into between Respondent Jonathan Joseph Solek (Solek), and Complainant, the Commissioner of Business Oversight (Commissioner), on the other hand, (collectively, the Parties) and is made with respect to the following facts:

RECITALS

A. On October 16, 2013, Solek filed an application for a MLO license with the Commissioner pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.). The application was for employment as a MLO, and was submitted to the Commissioner by completing and filing a Form MU4 through the Nationwide Mortgage Licensing System & Registry (NMLS).

1 B. In submitting his application, Solek was required to sign an oath and attestation
2 agreeing “to keep the information contained in this [MU4] form current and to file accurate
3 supplementary information on a timely basis...”

4 C. Based on the information provided in his application and his agreement to keep the
5 information current and to timely supplement the information, Solek was issued an MLO license on
6 November 13, 2013.

7 D. Solek was employed as a MLO with Mount Olympus Mortgage Company, Inc.
8 (MOMCo) from November 5, 2013 to June 6, 2014.

9 E. On or about June 19, 2014, MOMCo initiated a civil lawsuit against Solek in Orange
10 County Superior Court.

11 F. The complaint in the civil lawsuit alleged that Solek, along with other MOMCo
12 employees, had “conspired with [MOMCo’s competitor] Guaranteed Rate, Inc. (Guaranteed), during
13 the course of several months, to carry out a scheme to defraud MOMCo of its confidential and
14 proprietary information” and that Solek and others “misappropriated MOMCo’s confidential and
15 proprietary information and directed MOMCo customers to Guaranteed in violation of their
16 respective agreements with MOMCo, as well as California common law and statutory laws.”

17 G. The civil lawsuit brought by MOMCo sought injunctive relief that prohibited Solek
18 from engaging in lending services for borrowers whose files and identities Solek had allegedly stolen
19 from MOMCo and given to MOMCo’s competitor, Guaranteed.

20 H. Solek was served with the summons and a copy of the complaint in MOMCo’s civil
21 lawsuit by substituted service at his residence on or about June 30, 2014.

22 I. Despite being aware that he was named in a civil action related to financial services
23 where the plaintiff was seeking to enjoin him in connection with financial services-related activity,
24 Solek never disclosed this information to the Commissioner by supplementing his MU4 application
25 or by disclosing it when renewing his MLO application.

26 J. On the basis of Solek withholding information, the Commissioner issued Solek a
27 Notice of Intention to revoke Respondent’s MLO license under Financial Code section 50513,
28 Accusation, and accompanying documents (Accusation). A true and correct copy of the Accusation

is attached and incorporated herein as Exhibit A.

K. Solek timely requested an administrative hearing in regard to the Accusation, which is set for trial before the Office of Administrative Hearings on April 10, 2018.

L. The Commissioner finds that entering into this Agreement is in the public interest and consistent with the purposes fairly intended by the policy and provisions of the CRMLA.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. It is the intention and desire of the Parties to resolve this matter without the necessity of a hearing or other litigation for the purpose of judicial economy and expediency, and to avoid the expense of a hearing, and possible further court proceedings.

2. Waiver of Hearing Rights. Solek agrees that this Agreement shall have the effect of withdrawing his request for an administrative hearing on the matter set forth herein. Solek acknowledges his right to an administrative hearing under the CRMLA in connection with the Accusation set forth above, and hereby waives such right to hearing, and to any reconsideration, appeal, or other rights which may be afforded under the CRMLA; the Administrative Procedure Act (APA) (Govt. Code, § 11370 et seq.); the Code of Civil Procedure (CCP) (Code of Civ. Proc., § 1 et seq.); or any other provision of law in connection with these matters.

3. Dismissal of Notice of Intention. Except as otherwise provided herein, the Parties acknowledge that this Agreement shall have the effect of dismissing the Notice of Intention cited in Paragraph J. The dismissal shall become effective on the Effective Date of this Agreement, as such date is defined in Paragraph 18.

4. Suspension of MLO License. For a period of three months immediately following the Effective Date of this Agreement, Solek's MLO license shall be suspended.

5. Civil Penalties. In consideration of the dismissal of the Notice of Intention effected by Paragraph 3, above, Solek agrees to pay a civil penalty to the Commissioner in the amount of \$5,000.00 (Civil Penalty), which shall be due on the Effective Date of this Agreement. Payment in the form of a cashier's check shall be made payable to "The Department of Business Oversight" and

1 mailed to the Commissioner's agent specified in Paragraph 20, below. In the event the payment due
2 date falls on a weekend or holiday, the payment shall be due the next business day. Solek
3 acknowledges that failure to timely pay the Civil Penalty shall be a violation of the Agreement and
4 constitute cause for the Commissioner to immediately issue an order under paragraph 7, below.

5 6. Supplementing MU4 Application. Solek agrees, immediately upon signing this
6 Agreement, to supplement his MU4 application to disclose that he was named in a lawsuit in 2014 in
7 which an injunction was sought against him related to financial services-related activity.

8 7. Commissioner's Remedy for Violation. Solek agrees that for 60 months immediately
9 following the Effective Date of this Agreement, if the Commissioner makes a finding that Solek has
10 violated or is violating any provision of this Agreement, or of the CRMLA, or of any rule, regulation,
11 or law under the jurisdiction of the Commissioner or that he is subject to a disciplinary action taken
12 by the State California (or any legal subdivision thereof, including city and county), another state,
13 any agency of the federal government, or another country for any action substantially related to the
14 activity regulated under the CRMLA, the Commissioner may, in her sole discretion, issue to Solek a
15 final order revoking his MLO license. Solek waives all notice and hearing rights to contest any
16 revocation order issued under this provision, which may be afforded under the CRMLA, the APA,
17 the CCP, or any other provision of law in connection with these matters.

18 8. Agreement Coverage. The Parties hereby acknowledge that this Agreement is
19 intended to constitute a full, final, and complete resolution of the matter set forth herein.

20 9. Commissioner's Duties. The Parties further acknowledge and agree that nothing
21 contained in this Agreement shall operate to limit the Commissioner's ability to assist any other
22 agency (city, county, state or federal) with any prosecution (administrative, civil, or criminal) brought
23 by any such agency against Solek or any other person based on any of the activities alleged in this
24 matter or otherwise.

25 10. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it
26 has received independent advice from their attorneys or representatives with respect to the
27 advisability of executing this Agreement.
28

1 11. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
2 Agreement they have relied solely on the statements set forth herein and the advice of their own
3 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Agreement
4 it has placed no reliance on any statement, representation, or promise of any other party, or any other
5 person or entity not expressly set forth in this Agreement, or on the failure of any party or any other
6 person or entity to make any statement, representation or disclosure of anything whatsoever. The
7 Parties have included this clause: (1) to preclude any claim that any party was in any way
8 fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol
9 evidence to vary, interpret, supplement, or contradict the terms of the Agreement.

10 12. Full Integration. This Agreement is the final written expression and the complete and
11 exclusive statement of all agreements, conditions, promises, representations, and covenants between
12 the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
13 agreements, negotiations, representations, understandings, and discussions between and among the
14 Parties, their respective representatives, and any other person or entity, with respect to the subject
15 matter covered by the Agreement.

16 13. No Presumption from Drafting. In that the Parties have had an opportunity to draft,
17 review, and edit the language of this Agreement, no presumption for or against any party arising out
18 of drafting all or any part of this Agreement will be applied in any action relating to, connected to, or
19 involving this Agreement. Accordingly, the Parties waive the benefit of Civil Code section 1654 and
20 any successor or amended statute, providing that in cases of uncertainty, language of a contract
21 should be interpreted most strongly against the party who caused the uncertainty to exist.

22 14. Headings and Governing Law. The headings to the paragraphs of this Agreement are
23 inserted for convenience only and will not be deemed a part hereof or affect the construction or
24 interpretation of the provisions of the Agreement.

25 15. Voluntary Agreement. Solek enters into this Agreement voluntarily and without
26 coercion and acknowledges that no promises, threats, or assurances have been made by the
27 Commissioner or any officer, or agent thereof, about this Agreement.
28

16. Waiver. The waiver of any provision of this Agreement shall not operate to waive any other provision set forth herein, and any waiver, amendment, or change to the terms of this Agreement must be in writing and signed by the Parties.

17. Counterparts. The Parties agree that this Agreement may be executed in one or more separate counterparts, each of which, when so executed, shall be deemed an original. A facsimile or scanned signature shall be deemed the same as an original signature. Such counterparts together constitute one document.

18. Capacity. Each signator hereto covenants that he or she possesses all necessary capacity and authority to sign and enter into this Agreement.

19. Effective Date. This Agreement shall become effective ("Effective Date") when executed by the Commissioner or her designee and transmitted by electronic mail to Solek at jsolk1717@gmail.com.

20. Notice. Any notices required under this Agreement shall be provided to each party at the following addresses:

Jonathan Joseph Solek
32223 Calle Balareza
Temecula, California 92592

If to the Commissioner to:

Kenny V. Nguyen, Senior Counsel
Department of Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814

Dated: 3/21/18

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 3/21/18

By: _____
JONATHAN JOSEPH SOLEK,
an individual